

J.C. Watts, Jr.
Chairman
4th District, Oklahoma

House Meets at 10:00 a.m. for Legislative Business

Anticipated Floor Action:

H.R. 1875—Interstate Class Action Jurisdiction Act



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Floor Situation: The House will consider H.R. 1875 as its first order of business today. On Tuesday, September 21, the Rules Committee granted a modified open rule that provides one hour of general debate, equally divided between the chairman and ranking member of the Judiciary Committee. The rule makes in order a committee amendment in the nature of a substitute as base text. In addition, it makes in order only those amendments that have been pre-printed in the *Congressional Record*. The chairman of the Committee of the Whole may postpone votes and reduce the voting time on a postponed vote to five minutes, so long as it follows a regular 15-minute vote. Finally, the rule provides on motion to recommit, with or without instructions.

Summary: H.R. 1875 amends the federal judicial code regarding class action lawsuits to grant original jurisdiction in federal courts to hear interstate class actions where any member of the proposed class is a citizen of a state different from any defendant. The measure will expand the statutory diversity jurisdiction of federal courts to allow class action cases involving minimal diversity—that is, when any plaintiff and any defendant are citizens of different states—to be brought in or removed to federal court.

Under the bill, an interstate class action does *not* include: (1) “intrastate” cases, wherein a “substantial majority” of the class members and defendants are citizens of the same state and the claims will be governed primarily by that state’s law; (2) “limited scope” cases, where the class has fewer than 100 members or where the aggregate amount in controversy is less than \$1 million; or (3) “state action” cases, wherein the primary defendants are states or state officials, or other governmental entities against whom the district court may not order relief. The measure was introduced by Mr. Goodlatte *et al.* and was reported by the Judiciary Committee by a vote of 15-12 on August 3, 1999.

Views: The Republican leadership supports passage of the bill. President Clinton strongly opposes the measure and has threatened to veto it.

Amendments: At press time, the *Legislative Digest* was aware of the following amendments to H.R. 1875:

Messrs. Frank, Conyers, Berman, and Meehan may offer an amendment (#2) to require federal courts to remand to state court class actions that it cannot certify—rather than dismiss it, as required by the bill—when a state court may certify it if it meets the requirements of state law. While a class action may be refiled in state court under the bill, amendment supporters argue that the measure does not prevent any party from having the action removed *again* to federal court, where it could be dismissed again. The intent of the amendment is to prevent a potential “merry-go-round” of re-filings, removals, and dismissals. Opponents of the amendment counter that a federal dismissal will more than adequately prevent such a scenario. **Staff Contact:** *Rob Randhava (Frank), x5-3581*

Ms. Jackson-Lee and Mr. Waxman may offer an amendment (#3) to stipulate that the bill does not apply to class action lawsuits involving harm caused by tobacco products. **Staff Contact:** *Dirck Hargraves (Jackson-Lee), x5-3816*

Mr. Nadler may offer an amendment (#4) to stipulate that the bill does not apply to class action lawsuits involving harm caused by a firearm or ammunition. **Staff Contact:** *John Doty, x5-5635*

Mr. Nadler may offer an amendment (#5) to stipulate that the bill does not apply to class action lawsuits involving harm caused by any group health plan, health insurance provider, or health care professional that has a substantial commercial presence in the state in which the action is brought. **Staff Contact:** *John Doty, x5-5635*

Ms. Waters and Mr. Delahunt may offer an amendment (#6) to stipulate that the bill may not take effect until the U.S. Judicial Conference certifies that the proportion of vacant federal judgeships is less than three percent of all federal judgeships. **Staff Contact:** *Veronique Pluviose-Fenton (Waters), x5-2201*

Mr. Watt may offer an amendment (#7) to stipulate that class actions may not be removed to federal court until a state has certified the class. **Staff Contact:** *Steve Wall, x5-1510*

Additional Information: See *Legislative Digest*, Vol. XXVIII, #26, September 17, 1999.



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